

# Health Resources and Services Administration

(dollars in millions)

	<b>1996 <u>Actual</u></b>	<b>1997 <u>Enacted</u></b>	<b>1998 <u>Request</u></b>	<b>Request <u>+/- Enacted</u></b>
<b>Budget Authority</b> .....	\$3,075	\$3,401	\$3,269	-132
<b>Program Level</b> .....	\$3,081	3,407	3,280	-127
<b>Outlays</b> .....	3,826	3,251	3,320	+69
<b>FTE</b> .....	1,861	1,890	1,890	0

## Summary

The FY 1998 budget request for the Health Resources and Services Administration (HRSA) is \$3.3 billion, a net reduction of \$132 million from 1997. HRSA grants improve the health of the Nation by providing access to quality health care to underserved, vulnerable, and special-need populations, and by encouraging participation of minority and disadvantaged students in the health programs.

Over the past several years the introduction of managed care has changed the way services are delivered, paid for, and managed. These changes and others impact on how the populations aided by HRSA programs are actually served. To address these changes, HRSA has begun to reinvent itself. This reinvention will enhance the effectiveness of program operations; foster linkages and integration with broader State and community-based health care systems; create an organization and a decision-making process responsive to customer needs; and continue fostering diversity.

## HIV/AIDS

In 1996, the Ryan White Care Act was

reauthorized with strong bipartisan support. This legislation, a top priority of the Clinton Administration, has provided care to more than 500,000 Americans living with HIV or AIDS. The FY 1998 request of just over \$1 billion for Ryan White treatment activities is an increase of \$40 million, or 4 percent over the FY 1997 level. This request includes \$455 million for emergency relief grants to 49 cities and communities. A total of \$432 million is requested for formula grants to States, an increase of \$15 million. Of this amount, \$167 million is for the Drug Assistance Program (ADAP). In an effort to give States the flexibility to provide a combination of primary care AIDS services--AIDS drugs, insurance continuation and other medical and support services-- to best meet their own needs, the budget provides the increase to the overall State grant program. Protease inhibitors--taken in combination with other AIDS drugs--have revolutionized AIDS treatments. Researchers have found that these drugs, when taken in combination with other AIDS medications, can reduce the virus to undetectable levels for some people living with HIV/AIDS. For the first time in the history of the epidemic, there is strong evidence that

pharmaceuticals, when delivered in the context of primary care, can actually extend lives of people living with HIV/AIDS.

A total of \$85 million is requested in discretionary grants to allow an additional 3,000 individuals who are infected with, or at-risk of, HIV infection to receive primary care services. A total of \$40 million is requested for grants for coordinated HIV services and access to research for children, youth, women, and families. In addition, \$17 million is included for AIDS Education and Training Centers and \$7.5 million for the AIDS Dental Reimbursement program.

### **Consolidated Health Centers**

Community and Migrant Health Centers, Health Centers for the Homeless, and Health Centers near Public Housing form a major component of our Nation's health safety net. Through a Federal, State, and community partnership approach, 8.4 million individuals in 2,250 underserved communities receive high quality, cost-effective, accessible, and affordable preventive and primary health care services. The direct Federal grant funds, currently about 30 percent of total revenues, leverage resources from patient fees, Medicaid, Medicare, and other third party sources.

The FY 1998 budget request for Consolidated Health Centers includes \$810 million, an \$8 million increase, to be focused on services to uninsured and underinsured children through the Healthy Schools, Healthy Communities initiative. Complementary to the Consolidated Health centers program, the National Health Service Corps is funded at \$115 million. The National Health Service Corps is often the only source of providers of care for the underserved; especially in communities with high rates of infant mortality, poverty, and substance abuse. In many rural areas, they are the sole providers.

### **Health Professions**

Through a wide array of discretionary grant programs, the Federal government--over the past 30 years--has targeted resources on solving problems in the distribution and procurement of health care personnel which were not addressed well by market demand. HRSA has spent over \$10 billion to increase

the supply of health professionals and to assure the appropriate mix of specialists and generalists. Over these 30 years, the nation has had substantial increases in the supply of primary care physicians, and most of the allied health professions. The Federal government, as a part of the President's Plan to achieve a balanced budget, will decrease investments in many of the discretionary training grants that have been a traditional component of the health professions program.

The budget for FY 1998 focuses on continued achievements in increasing minority and disadvantaged representation in the health professions and in the Area Health Education Centers which address workforce supply and distribution. Other health professions programs--primary care medicine and public health activities and programs to strengthen basic and advanced nurse education and practice--are funded at lower levels.

### **Services to Mothers and Children**

HRSA has a strong commitment to investing in the health of women and children. Funding for these efforts total over \$1 billion, and is about level with the spending in FY 1997. These programs include the Maternal and Child Health Block grant, a Federal/State partnership focusing on meeting the health needs of mothers and children in the context of families and communities (\$681 million); Healthy Start, an initiative designed to reduce infant mortality rates (\$96 million); the Emergency Medical Services for Children program (\$12 million); and the Title X Family Planning program (\$203 million, an increase of \$5 million).

The increase in the Family Planning program will provide services to an additional 40,000 women, as well as address emerging trends that impact on providing effective and efficient family planning services--male involvement in family planning and reproductive health and update computer capabilities. The budget also includes a \$50 million mandatory appropriation for a new abstinence education supplement to the Maternal and Child Health Block Grant.

### **Organ Transplantation**

Today, the demand for organs for transplantation is growing at a faster rate than actual donations, resulting in a growing disparity between the demand and the availability of organs for transplantation. To help close this gap, The FY 1998 budget requests \$4 million nearly doubles the resources previously available for organ transplantation activities. A high priority for this program will be investment in making the public more aware of the need through developing and implementing targeted public education programs, developing and disseminating curriculum for children in grades K through 12, and conducting regional college awareness workshops.

### **Other HRS Programs**

For the remaining HRSA programs, total spending of \$166 million is proposed. This level will ensure sufficient funds are available to adequately fund rural

health initiatives, internal HRSA management initiatives critical to the agency's restructuring and national leadership responsibilities, treatment of Hansen's Disease, and the National Bone Marrow Donor Registry. Several smaller programs--the Nursing Loan Repayment and the Community-Based Scholarship programs--which duplicate activities of the National Health Service Corps-- will be discontinued.

# HRSA OVERVIEW

## DISCRETIONARY SPENDING

(dollars in millions)

	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>Request</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>+/- Enacted</u></b>
<b>HIV/AIDS Activities (Ryan White) .....</b>	\$757	\$996	\$1,036	+\$40
<b>Consolidated Health Centers .....</b>	758	802	810	+8
<b>National Health Service Corps .....</b>	112	115	115	0
<b>Health Professions Clusters:</b>				
<b>Workforce Development .....</b>	0	1	1	0
<b>Enhanced Area Health Education .....</b>	46	55	24	-31
<b>Minority/Disadvantaged .....</b>	80	89	89	0
<b>Primary Care Medicine &amp; Public Health ..</b>	75	82	8	-74
<b>Nursing Education .....</b>	<u>56</u>	<u>63</u>	<u>8</u>	<u>-55</u>
<b>Subtotal, Health Professions .....</b>	257	290	130	-160
<b>Maternal and Child Health Block Grant ...</b>	678	681	681	0
<b>Abstinence Education (non-add)* .....</b>	0	0	(50)	(+50)
<b>Healthy Start .....</b>	93	96	96	0
<b>Family Planning .....</b>	193	198	203	+5
<b>Rural Health Research .....</b>	9	9	9	0
<b>Rural Health Outreach .....</b>	28	28	25	-3
<b>Organ Transplantation .....</b>	2	2	4	+2
<b>Malpractice Databank .....</b>	6	6	8	+2
<b>Office of Drug Pricing .....</b>	0	0	3	+3
<b>Health Care Facilities .....</b>	20	13	0	-13
<b>Hansen's Disease Cluster .....</b>	20	20	16	-4
<b>Program Management .....</b>	112	113	111	-2
<b>HEAL Direct Operations .....</b>	3	3	3	0
<b>Other Services .....</b>	33	35	30	-5
<b>Subtotal, Disc. Program Level .....</b>	\$3,081	\$3,407	\$3,280	-\$128
<b>Less Offsets .....</b>	6	6	11	+5
<b>Total, BA .....</b>	\$3,075	\$3,401	\$3,269	-\$132
<b>FTE .....</b>	1,861	1,890	1,890	0

\* Abstinence Education is a new mandatory program.